

INFORMATIONAL REPORT

DATE ISSUED: August 29, 2007
REPORT NO: HCR 07-071
SUBJECT: Activity Performance Report – Fourth Quarter FY 2007 (Citywide)

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

This report includes a description of goals and performance information for the period April 1, 2007 through June 30, 2007. In addition to the key performance measures described herein, (Attachment 1, Activity Performance Report), there were other achievements not easily described in statistical terms that are pertinent to the agency's activities and goals.

Agency Highlights

During this quarter, the San Diego Housing Commission received 14 local and national awards recognizing excellence in affordable housing leadership.

- Elizabeth C. Morris, President & Chief Executive Officer of the San Diego Housing Commission, has been inducted into the California Housing Hall of Fame. The prestigious honor, given by the California Housing Consortium (CHC), recognizes Ms. Morris for her 35 years of service and leadership in the affordable housing field.
- The San Diego Housing Federation honored D. Todd Philips, Director of Policy & Public Affairs, with the John Craven Memorial Award, which is given to public employees who have shown outstanding commitment to affordable housing.
- Daniel Morales, the agency's Ombudsman, received the CandleLife Award from Supportive Parents Information Network for his efforts in assisting more than 5,000 callers per year with affordable housing needs.
- Several developments created with financial support from the Housing Commission have received local recognition. The Urban Land Institute San Diego/Tijuana District Council gave Smart Growth awards to Lillian Place, Renaissance North Park and Stella at Five Points. The San Diego Housing Federation honored three affordable housing communities as Housing Projects of the Year: Lillian Place, Fairbanks Ridge and Veterans Village of San Diego.

Additionally, the Housing Commission received five Awards of Merit from the National Association of Housing & Redevelopment Officials (NAHRO):

- Learning Opportunity Centers Youth Testing Program, a new system for monitoring the progress of Public Housing youth
- Aspire Asset-Building program, a financial fitness and matched-dollars savings program for Public Housing and Section 8 residents who are working toward self-sufficiency
- Fairbanks Ridge, an affordable apartment complex in North City

- Jean C. McKinney Manor, an affordable apartment community for seniors in Encanto
- The Housing Commission's new office building at Smart Corner

SDHC Hires Two New Directors

After conducting a nationwide search, the Housing Commission has hired two directors to join its management team. As Director of the Rental Assistance Program, Lenny Moore will lead the agency's Section 8 housing program, which provides rental assistance to 12,300 low-income families, seniors and persons with disabilities each year. Moore has 15 years of experience in public sector financial management, including 10 years with the United States Government Accountability Office. Lenny is a Certified Public Accountant and holds an MBA from University of Illinois.

As the agency's new Director of Finance/Chief Financial Officer, John Pfeiffer has 15 years of experience in financial management for government and nonprofit organizations. Most recently, he was Chief Financial Officer for the Dallas Housing Authority. He is a Certified Public Accountant and holds an MBA from Boise State University.

RENTAL ASSISTANCE PROGRAM

Improving Customer Service with Changes to the Call Center

In an effort to improve customer service, the Rental Assistance Program has automated its Call Center to create a new and better way of responding to telephone callers' questions. Using a touch-tone phone, Rental Assistance participants and property owners can now enter their Housing Assistant's first or last name or their Housing Assistant's ID number and be directly connected to their Housing Assistant. Later this year, the agency will roll out Phase 2, which will allow program participants to enter their own client ID number to be directly forwarded to whoever has their file at that point in time. The changes will ultimately result in smoother and more expedient service.

POLICY & PUBLIC AFFAIRS

Inclusionary Housing Fees Adjusted

As mandated by municipal code, Housing Commission staff assessed and readjusted the in-lieu fee structure at the onset of the new fiscal year. (Under the inclusionary zoning ordinance, developers have the option of paying a fee in lieu of constructing affordable housing.)

The fee is calculated according to a formula that accounts for the gap between the median cost of new housing and the price of housing affordable to a family of four. Since home prices have declined over the past year, this gap has decreased. The result was a reduction in the fee amount from \$7.31/square foot to \$6.31/square foot. The fiscal impacts of this change are difficult to anticipate, since the new fee will be applied to projects applying for permits after July 3, 2007, while pipeline projects have been "grandfathered in" under various past fee amounts.

Condominium Conversion Regulations Adopted Statewide

Policy & Public Affairs staff attended a California Coastal Commission hearing in Santa Rosa to request adoption of the City of San Diego's Condominium Conversion ordinance into the Coastal Zone. After first considering modifying the ordinance, the Coastal Commission ultimately voted to adopt and approve the City's ordinance and remain consistent with the local land development code.

New External Newsletter and Other Tools Improve Agency Communications

The Housing Commission's Policy & Public Affairs staff has launched several new communications tools to keep the public and employees informed of the agency's activities, accomplishments and challenges:

- *Housing Matters* is a new, monthly e-newsletter for community leaders and the public. Using an email subscription service, anyone can sign up via the agency's website to receive the e-newsletter.
- Three existing departmental newsletters are being redesigned to coordinate with the agency's new logo and messaging, including *VIEWPoint*, a quarterly newsletter for property owners and property managers who participate in the Rental Assistance Program; *Good Neighbors*, a quarterly newsletter for Public Housing residents; and *FSS Bulletin*, a quarterly newsletter for participants in the Family Self-Sufficiency program.
- Finally, to keep employees better informed, three internal communications resources have been created: *Around the Corner*, a bi-monthly e-newsletter focused on agency-wide news and employee recognition; *Operations Update*, a weekly email update that consolidates "day-to-day" operational announcements; and the SDHC Intranet, a new internal website with resources, documents, forms and links employees need to conduct their work.

HOUSING, FINANCE & DEVELOPMENT

Grand opening celebrations were held to mark the debut of two recently completed affordable housing developments: Renaissance North Park and Las Serenas.

Built on the site of the former Aztec Bowl, Renaissance North Park is a newly constructed, mixed-income, multi-use site that embraces neighborhood history while setting new standards for infill development. It includes a 96-unit affordable senior apartment complex (funded with \$2 million from the Housing Commission), 14 affordable for-sale town homes and 24 market rate for-sale units. Renaissance incorporates elements of the Art Deco and Craftsman architectural styles of the area's history, along with use of the historic Aztec Bowl neon sign and wood from its bowling lanes. The developers were San Diego Interfaith Housing Federation (senior complex) and Carter, Reese & Associates (for-sale properties).

Las Serenas Apartments in Shelltown is an exemplar acquisition-rehabilitation project funded with \$15 million in SDHC bonds and loans. The developer – Community HousingWorks – purchased and transformed two adjacent, rundown, crime-and-graffiti ridden housing sites complex into what is now a safe and attractive 108-unit affordable housing community serving low-income families.

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Carrol Vaughan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Carrol Vaughan

Executive Vice President &

Chief Operating Officer

Attachment 1: Activity Performance Report

ACTIVITY PERFORMANCE REPORT FY07

Attachment 1

Activity: Goal	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Comments
Rental Assistance: Assist 12,444 families. ¹	Total: 12,244	Total: 12,056	Total: 12,029	Total: 12,286	Annual Voucher Lease Rate: 98.04%
Rehabilitation/Private Property: Oversee physical improvement of 280 Owner Occupied/ 500 CDBG/Rental Property: 140 lead-based paint reduction ²	31/56/16	75/108/67	46/109/50	70/165/78	222/438/211 CDBG goal of 500 was too high for final funding and current costs. Two contractors are had difficulties and unable to achieve their anticipated production of 135 units.
Major Renovations:					
<ul style="list-style-type: none"> • Complete 766 Capital Improvements at Commission owned and managed units 	297	291	175	4	YTD: 767
<ul style="list-style-type: none"> • 1,200 maintenance quality assurance program inspections 	166	480	269	920	YTD: 1,835
Rental Development: Facilitate development or preservation of 600 affordable units. ³	Starts: 71 Loan Closings: 0 Completions: 0	Starts: 0 Loan Closings: 0 Completions: 168	Starts: 50 Loan Closings: 71 Completions: 106	Starts: 0 Loan Closings: 66 Completions: 0	YTD: Starts – 121 YTD: Loan Completions 137 YTD: Completions – 274 TOTAL: 532
Homeowner: Assist 100 first-time homebuyers. ⁴	Homeowners: 11	Homeowners: 9	Homeowners: 16	Homeowners: 13	YTD: 49 MCC allocation was lower than expected; rising interest rates deterred buyers; cancellation or delay of for-sale housing was unexpected.
Resident Services: Aid 550 assisted families in self-sufficiency programs. ⁵	426	460	486	508	This quarter included 22 enrollments and 5 graduates.
Housing Management:					
<ul style="list-style-type: none"> • Own/Manage/Maintain 1,726 units.⁶ 	1,726	1,726	1,726	1,726	CURRENT: 1,726
<ul style="list-style-type: none"> • Maintain 99% occupancy rate.⁷ 	99.55%	99.23%	99.08%	98.81%	YTD: 99.98%
<ul style="list-style-type: none"> • Complete 12,500 work orders for property repair/improvement.⁸ 	5,558	5,061	4,962	4,990	YTD: 20,571
<ul style="list-style-type: none"> • Respond to emergency resident requests for work within 12 hours. 	Mean Hours: 5.22	Mean Hours: 4.63	Mean Hours: 6.35	Mean Hours: 11.96	AVERAGE: 6.87
Special Purpose Programs: Secure funding to provide housing opportunities for 595 persons. ⁹	181	317	311	766	YTD: 1,575

Note 1: All data shown is incremental for the reporting quarter only, unless otherwise indicated.

¹ "Rental Assistance" includes all tenant-based and project-based rental housing assistance administered by the San Diego Housing Commission, including Section 8 (Vouchers, New Construction, and Moderate Rehabilitation). Project-based and sponsor-based assistance for persons with special needs is reported under Special Purpose Programs, below.

² "Rehabilitation/Private Property" includes housing units repaired and/or rehabilitated at publicly owned complexes, and privately owned rental, mobile home and other owner-occupied units rehabilitated with financial assistance from the San Diego Housing Commission.

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- ³ "Rental Development" includes newly affordable housing units with enforceable rental restrictions constructed, acquired and/or acquired and rehabilitated, and extension of affordability restrictions that would otherwise be terminated. Goal reflects only units utilizing direct HC loans. Starts include projects for which a financing mechanism was approved by the appropriate authority. Completion is when authority is received to occupy the units or equivalent. Recent experience shows that for each 10 units started, about 6 units are completed, with the balance of the projects being canceled.
- ⁴ "Homeowners" includes newly developed for-sale units and first-time homebuyers receiving assistance in acquiring a home using one or more of the tools administered by the San Diego Housing Commission. Each first-time homebuyer may receive more than one form of assistance (e.g., down payment grant plus shared equity loan). Completion is defined as the point when the homebuyer assumes title, except when the only form of assistance is issuance of a Mortgage Credit Certificate (MCC); completion of MCC-only is defined as the point when the MCC is issued, which may be later than close of escrow and assumption of title.
- ⁵ "Resident Services" includes families resident in publicly owned affordable housing or receiving rental assistance enrolled in family self-sufficiency programs administered by the San Diego Housing Commission.
- ⁶ "Housing Management" includes all housing units owned, managed or maintained by the San Diego Housing Commission.
- ⁷ "Occupancy Rate" reflect all units managed by the agency.
- ⁸ Work orders are not considered complete until final billing is received from contractors or agency staff has completed all work. Delays in contractor billing can result in changes to the number of work orders reported after the end of the fiscal quarter.
- ⁹ "Special Purpose Programs" includes transitional housing units and beds supported through financing of operations or development, and project-based or sponsor-based rental assistance for persons with special needs. All tenant-based assistance is reported above in Rental Assistance.